

Message Text

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PAGE 01 OECD P 08707 281727 Z

47

ACTION EUR-25

INFO OCT-01 ADP-00 AID-20 CEA-02 CIAE-00 COME-00 EB-11

EA-11 FRB-02 INR-09 IO-12 NEA-10 NSAE-00 RSC-01

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E. O. 11652: N/ A

TAGS: EAGR OECD

SUBJECT: OECD AGRICULTURAL MINISTERIAL MEETING

PASS: AGRICULTURE FOR IOANES AND GOODMAN

REF: (A) STATE 055881, (B) 056314 (C) OECD 7443

1. MISSION GRATEFUL FOR SCHEDULE CONFIRMATIONS IN REF (A).
 2. DUE TO REGULAR FRENCH COUNCIL OF MINISTERS MEETING EACH WEDNESDAY MORNING IT NOT POSSIBLE TO ARRANGE APPOINTMENT FOR SECRETARY TO CALL ON NEW OR DESIGNATED FRENCH MINISTER OF AGRICULTURE ON MORNING APRIL 11. FRENCH MINISTER EXPECTED HOWEVER TO ATTEND AMBASSADOR' S IRWIN' S LUNCH THAT DAY. WILL ADVISE LATER ON GUEST LIST ARRANGED BY OGREN AND EMBASSY.
 3. IN VIEW OF PARAGRAPH 1 WE NOW RECOMMEND SCHEDULE CONTAINED IN REF (B) BE CHANGED AS FOLLOWS:
 - A. APRIL 11 - 9:00-10:00 USOECD MISSION/ EMBASSY BRIEFING AT USMISSION OECD WHERE AMBASSADOR' S OFFICE WILL BE AVAILABLE TO SECRETARY. 10:00-11:30 BRIEF MEETING WITH SEC GEN VAN
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PAGE 02 OECD P 08707 281727 Z

LENNEP AND SEPARATE MEETING WITH MINISTER NATALI OF ITALY OR ANOTHER MINISTER SUBJECT TO AVAILABILITY. 11:30-12:30 MEETING WITH UK MINISTER OF AGRICULTURE GODBER (THE APPOINTMENT HAS BEEN CONFIRMED) 1:00-2:30 AMBASSADOR IRWIN' S LUNCH EMBASSY RESIDENCE, 41 FAUBOURG ST. HONORE. 3:00-7:00 FIRST SESSION MINISTERIAL MEETING, ROOM 1, OECD. 8:30 BLACK TISSON COMPENSATORY AMOUNTS FOR BEEF AND VEAL. THE COMMISSION PROPOSALS FOR CAP' S FOR ALCOHOL AND CANNED FRUITS AND VEGETABLES (MINIMUM IMPORTPRICEE) WERE REFERRED BACK TO THE SPECIAL AGRICULTURAL COMMITTEE FOR FURTHER STUDY. AS REGARDS THE OECD MINISTERIAL ON APRIL 11, THE MINISTERS AGREED THAT EACH MEMBER STATE WILL BE FREE TO EXPRESS ITS OWN VIEWS. END SUMMARY:

2. THECOMMISSION' S 1973/74 CAP PRICE PROPOSALS WHICH, AS EXPLAINED IN REF A, ARE INTERRELATED WITH A CHANGE IN CALCULATING THESE PRICES IN NATIONAL CURRENCIES, WERE FOR VARIOUS REASONS NOT WELL RECEIVED BY MOST OF THE MEMBER STATES EXCEPT DENMARK. GODBER, THE U. K. MINISTER, STRESSED THE INFLATIONARY IMPACT OF ANY PRICE INCREASES. HE CALLED FOR A PRICE FREEZE, CITING THE POLITICAL SENSITIVITY OF THE FOOD PRICE ISSUE IN HIS COUNTRY. HE TERMED THE COMMISSION PROPOSAL " NOT LOGICAL" IN THAT THE PRICE INCREASES WOULD BE GREATEST IN THOSE COUNTRIES WHOSE CURRENCIES HAVE APPRECIATED LEAST AGAINST THE DOLLAR AND WHERE INFLATION IS MOST SEVERE. GODBER ALSO SUGGESTED THAT THE COUNCIL GIVE MORE THOUGHT TO PRICE RELATIONSHIPS AMONG COMMODITIES. IN THISCONNECTION, HE STATED THAT GRANS ACCOUNT FOR 10 PERCENT OF EC AGRICULTURAL PRODUCTION AND 30 PERCENT OF FEOGA EXPENDITURES. IN CORRIDOR CONVEREATIONS GODBER REJECTED ACCUSATONS REPORTEDLY MADE BY THE FRENCH AND IRISH MINISTERS THAT HE IS PLOTTING TO UNDERMINE THE CAP.

3. CHIRAC, THE FRENCH MINISTER, LOOKED WITH FAVOR ON THE MOETARY ASPECTS OF THE COMMISSION PROPOSAL UNDER WHICH THE SYSTEM OF MONETARY COMPENSATORY AMOUNTS LIMITED OFFICIAL USE

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PAGE 03 EC BRU 01717 01 OF 02 281900 Z

WOULD AT LEAST BE PARTIALLY DISAMANTLED. HOWEVER, HE STATED THAT THE PRICE INCREASES PROPOSED FOR MILK (4.76 PERCENT) AND BEEF (10.8 PERCENT) ARE TOO SMALL. HE SUGGESTED AN INCREAEE OF 8.5 PERCENT IN THE TARGET PRICE FOR MILK AND AT LEAST A 15 PERCENT INCREASE IN THE

ORIENTATION PRICE FOR CATTLE.

4. ERTL, THE GERMAN MINISTER, TERMED THE MONETARY ASPECTS OF THE PRICE PROPOSALS COMPLETELY UNACCEPTABLE. (IT WILL BE RECALLED THAT UNDER THE COMMISSION PROPOSALS, PRICES IN GERMANY GENERALLY WOULD NOT INCREASE WHILE FRENCH PRICES WOULD GENERALLY INCREASE BY 2.76 PERCENT.) HE SAID THE TIME IS NOT YET RIPE TO BEGIN DISMANTLING THE MONETARY COMPENSATORY AMOUNTS. THESE AMOUNTS, HE MAINTAINED, HAVE NOT HINDERED TRADE. HE ALSO CALLED FOR LARGER GRAIN PRICEINCREASES THAN THOSE PROPOSED BY THE COMMISSION.

5. AT ITS MEETING ON PARIL 9-10 IN LUXEMBOURG, THE COUNCIL REPORTEDLY WILL CONCENTRATE ON THE PROBLEM OF THE UNIT OF ACCOUNT AND MONETARY COOLENSATORY AMOUNTS. THE MEETINGS BEGINNING APRIL 16 WILL PROBABLY BE A MARATHON SESSION AT WHICH TME THE COUNCIL WLL ATTEMPT TO REACH AGREEMENT ON 1973/74 PRICES

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